

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

March 2003

Summary

After four consecutive monthly declines, Commonwealth Transportation Fund collections showed some growth. March receipts rose 2.8 percent. Most of the monthly increase was attributable to a surge in the volatile International Registration Plan source and marginal growth in motor fuel sales. Through the first three quarters of the fiscal year, growth is flat, considerably behind the official forecast of 3.7 percent growth.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor fuels tax collections increased by 3.5 percent in March, the first time in six months that monthly growth was over one percent. Annual collections are up 2.0 percent, lagging the official forecast by 1.1 percentage points. The outlook for crude oil depends on further progress in the war against Saddam Hussein and a swift conclusion to the fighting. Once the oilfields are secured and the threat of a biological or chemical attack thwarted, the risk premium will evaporate completely and crude oil prices will return to the mid-\$20 range. Demand for gasoline is expected to grow over the coming months if more people shun air travel and opt to drive to vacation locations.

Motor Vehicle Sales and Use Tax

Collections in this source stabilized in March, dropping by only 1.1 percent. Year-to-date collections are down 0.6 percent, well behind the 4.5 percent growth expected in the official forecast. Vehicle sales have weakened during the first three months of the year compared to a year ago despite continued high incentive spending. First quarter sales were at their weakest since mid-1998. However, February's low pace was explained in part by the poor weather. Sales rebounded in March though they are still below the average for the prior six months.

State Retail Sales Tax

The transportation portion of the state retail sales tax fell by 3.8 percent in March as the first winter storms in several years hindered sales. Collections in this source are down 5.0 percent in fiscal year 2003 as the July TTF retail sales tax were retained in the general fund in June.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 4.0 percent in March. Motor vehicle registrations are expected to bounce back over the remaining three months as the Department of Motor Vehicles expands its operating hours.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2002 and 2003
(Dollars in Thousands)

Revenue	FY 2003 Estimate	As a % of Total Fund	March			Year-To-Date			% Annual Growth Required By Estimate
			FY 2003	FY 2002	% Change	FY 2003	FY 2002	% Change	
Motor Fuel Taxes	\$819,100	28.96	\$63,585	\$61,464	3.5	\$544,557	\$534,004	2.0	3.1
Priority Transportation Fund	20,000	0.71	2,000	2,000	0.0	14,000	14,000	0.0	0.0
Motor Vehicle Sales and Use Tax	556,300	19.67	43,926	44,403	(1.1)	391,205	393,545	(0.6)	4.5
State Sales and Use Tax	381,100	13.47	27,199	28,272	(3.8)	276,810	291,343	(5.0)	(1.8)
Motor Vehicle License Fees	175,300	6.19	14,071	13,531	4.0	113,761	107,054	6.3	20.8
International Registration Plan	61,300	2.17	12,326	9,241	33.4	38,174	41,496	(8.0)	3.5
Interest Earnings	12,400	0.44	0	1	(100.0)	10,528	8,457	24.5	(11.6)
Misc. Taxes, Fees, and Revenues	23,600	0.84	2,695	2,418	11.5	18,414	17,434	5.6	3.5
Total State Taxes and Fees	\$2,049,100	72.45	\$165,802	\$161,330	2.8	\$1,407,449	\$1,407,333	0.0	3.7

Percentage is greater than 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2002 and 2003
(Dollars in Thousands)

		As a %	March			Year-To-Date			% Annual
	FY 2003	of Total			%			%	Growth
Revenue	Estimate	Fund	FY 2003	FY 2002	Change	FY 2003	FY 2002	Change	Required
									By Est
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$699,200	24.72	\$53,964	\$52,212	3.4	\$463,884	\$454,366	2.1	3.4
Motor Vehicle Sales and Use Tax	357,600	12.64	28,108	28,594	(1.7)	251,022	253,663	(1.0)	4.6
Motor Vehicle License Fees	151,100	5.34	12,240	11,774	4.0	99,828	93,180	7.1	20.1
International Registration Plan	61,300	2.17	12,326	9,241	33.4	38,174	41,496	(8.0)	3.5
Misc. Taxes, Fees, and Revenues	23,600	0.84	2,695	2,418	11.5	18,414	17,434	5.6	3.5
Total State Taxes and Fees	\$1,292,800	45.71	\$109,333	\$104,239	4.9	\$871,322	\$860,139	1.3	5.4
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$850	\$600	41.7	\$10,553	\$10,657	(1.0)	(100.0)
Transfer (to) / from Transportation Trust Fund									
Trust Fund	147,200	5.21	0	0	-	102,271	0	-	#
Total Highway Maintenance and Operating Fund	\$1,440,000	50.92	\$110,183	\$104,839	5.1	\$984,146	\$870,796	13.0	17.3
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$119,900	4.24	\$9,621	\$9,252	4.0	\$80,673	\$79,638	1.3	1.8
Priority Transportation Fund	20,000	0.71	2,000	2,000	0.0	14,000	14,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	198,700	7.03	15,818	15,809	0.1	140,183	139,882	0.2	4.5
State Sales and Use Tax	381,100	13.47	27,199	28,272	(3.8)	276,810	291,343	(5.0)	(1.8)
Motor Vehicle License Fees	24,200	0.85	1,831	1,757	4.2	13,933	13,874	0.4	25.6
Interest Earnings	12,400	0.44	0	1	(100.0)	10,528	8,457	24.5	(11.6)
Total State Taxes and Fees	\$756,300	26.74	\$56,469	\$57,091	(1.1)	\$536,127	\$547,194	(2.0)	0.9
Other Revenues:									
Federal Grants and Contracts	\$669,400	23.67	\$57,827	\$86,441	(33.1)	\$502,251	\$760,094	(33.9)	(29.4)
Receipts from Cities/Counties	37,500	1.33	1,617	1,868	(13.4)	23,296	27,235	(14.5)	10.4
Toll Revenues (Includes Route 28)	72,200	2.55	4,222	3,774	11.9	42,410	48,696	(12.9)	14.5
Miscellaneous Revenues	0	0.00	1,425	2,756	(48.3)	13,250	12,105	9.5	(100.0)
Total Other Revenues	\$779,100	27.55	\$65,091	\$94,839	(31.4)	\$581,207	\$848,130	(31.5)	(26.7)
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$147,200)	(5.21)	\$0	\$0	-	(\$102,271)	\$0	-	#
Total Transportation Trust Fund	\$1,388,200	49.08	\$121,560	\$151,930	(20.0)	\$1,015,063	\$1,395,324	(27.3)	(24.0)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$2,828,200	100.00	\$231,743	\$256,769	(9.7)	\$1,999,209	\$2,266,120	(11.8)	(7.4)

Percentage is greater than 1,000%.